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Anonymous

Roy Stevens

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# Reporting from Chicago

**L**it is a quality shop, in which Art Schwertfeger, partner in charge of the Chicago office of Haskins & Sells, takes great pride. It aims at absolute accuracy, impeccable content, handsome appearance, punctual production and efficiency. Art shows genuine enthusiasm when he talks about the work of the Chicago Report Department.

"There are so many things that they do here, and do so well," he says, as he displays a variety of multilith products of the department. "This shows you what people can do when they are innovative." He holds up a small, handsome catalog of the art works that decorate the Chicago office, in which H&S people can identify title and artist of each print and piece of sculpture. Then he shows a green-covered annual report, decorated with a golf course landscape, that the Report Department produced for a country club. Next to it is a report for a 25-year old company, covered in silver stock in recognition of the company's silver anniversary.

Report departments are frequently overlooked in discussions of who is who, and who does what, in public accounting firms. Yet, as Art Schwertfeger is ready to point out, a report department produces the one physical, tangible evidence of all the meticulous work performed by a professional organization for a client. So why should a report not be the best possible instrument to represent that work? Why shouldn't we take pains to make it speak well of us, in every way?

The question answers itself—at least in the time and attention that the Chicago office devotes to its reports. And for this reason the Chicago office Report Department has become something special. This is not to say that others in the Firm do not see the matter the same way; indeed, there are a number of outstanding report departments in other offices. But as an example of what an excellent department can be in this phase of our Firm's work, the department in Chicago serves well.

The emphasis on excellence in Chicago office reports to clients has a long

tradition behind it. For a good many years it was the Chicago pattern to put as many staff accountants as possible through a training stage in the Report Department, during which they became familiar with all the steps necessary to produce finished reports. By doing comparing and proving, or having to cope with someone's unclear hand or imperfect draft, many Chicago staffmen gained a fresh understanding of the importance of being careful from the start. Being responsible for searching out discrepancies in names and figures, they sharpened their proofreading eyes.

Dave Ringstad, supervisor of the department, and Maury Bax, assistant supervisor, are both former members of the audit staff who are certified public accountants. The work for which they are responsible consists of far more than the mechanical reproduction of reports—as some people mistakenly conceive of all report department work. Their experience and knowledge of current report requirements and format enable them to assist the professional staff as a reference library. As Art Schwertfeger puts it:

"We rely on Dave and Maury, who are professional accountants, to review our reports for technical content, accuracy and completeness. Our Report Department serves as a backstop to our partners and principals in editing our reports. They are a checkpoint. For example, they might suggest some wording to insert in a report to make it comply fully with our APM, or with SEC regulations. They do much more than check names, dates and figures."









**R**ey Hoffmann, Chicago partner, calls the department "an integral part of our quality control." He says that its members "come up with a raft of questions that can set you back to thinking again about a report you have drafted."

Dave and Maury supervise a crew of five typists, four people who do comparing and proving, two who do the binding, and three fulltime multilith operators. This team is supplemented with extra help at tax time, in periods of rush work on annual reports and when there is a crush in Form 10-K filings. The group is unusually stable, as evidenced by the fact that the most recent arrival among the typists has been in the department for five years. Mrs. Ormie Olderr, the typing supervisor, has been with H&S for twenty-five years.

Some years ago the Chicago Report Department had thirty or forty people, depending on the work flow, and ran on two shifts. In those days client reports were thicker, for one reason because they contained monthly statistical data. Since World War II, monthly statements have disappeared and the department has increased its efficiency and its output in many ways.

A big step forward came in 1969 when the Chicago office acquired a camera-platemaker that eliminated the need to type each page on multilith stencils. Now every page of a report can be made ready for the camera directly on regular typing paper. Errors can be corrected much more easily than on the stencil sheets. A few seconds after the page is exposed under the camera lights, the finished multilith plate emerges from the big machine. Further corrections, if required at this stage, can be made simply and quickly on the paper copy, and then a fresh plate can be made at once.

If a sheet is unusually large, it can be reduced by the camera-platemaker—or a small body of type can be enlarged, as desired. Oversize work can be printed on the largest of the three multilith machines, which can take jobs up to 20 x 14 inches. The other two multilith machines are the standard 17 x 11 inch size. All three turn out beautiful reproductions.

All assembly and binding is done by hand, because no machine has come along that can line up the work so well as the human eye and fingers. Careful hand work is especially important in folding the oversize sheets that are part of many corporate financial statements, and which tuck neatly into the traditional H&S bluebacks. As one watches the various processes of typing, comparing and proving, plate-making, running the multilith presses, collating, folding and binding, a visitor cannot help being impressed with the quiet, no-nonsense efficiency with which the Chicago team works. There is nothing that seems hurried or frantic about the operations; the work is humming through the department, and everyone seems to know his or her business and is hard at it.

An industrial engineer might characterize this as a short-run production shop turning out custom orders. "We run about 3,000 client jobs a year," Dave Ringstad told *H&S Reports*, "and these vary from ten copies to a thousand copies each. In pages, we might have some jobs as short as two pages; a thick report might run to 175 pages." Obviously, this is not mass production in the traditional sense. Yet in the course of a year, the Chicago Report Department consumes about 1,500,000 sheets of paper, and uses up 100 pounds of multilith ink. The binders fasten some 200,000 metal eyelets, or rivets, to reports during the average year.

Dave says that visitors from other H&S offices are surprised to find that the Report Department crew is so small,

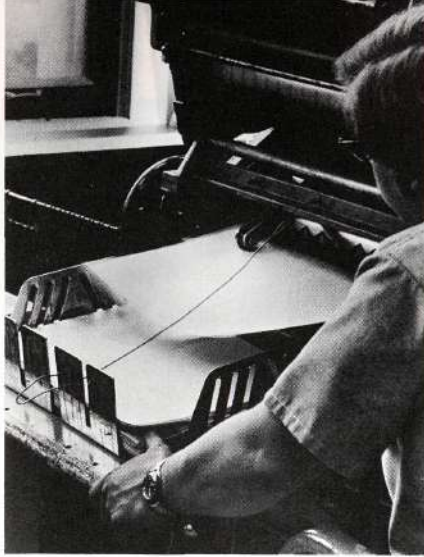
particularly because it does work for fourteen other offices in the Midwest. About 25% to 30% of the department's work, in fact, is sent in from other offices. Art Schwertfeger says that this regional approach to report department operations enables H&S to have the best equipment operated efficiently by highly skilled people. The department also serves the other offices when they are short of personnel because of illness, vacations or unusual client demands for service. Several other offices in the Firm in other parts of the country are working together in the same way.

What happens, Dave Ringstad was asked, if an error should turn up in a finished report?—"Whenever that occurs, even if it is the slightest kind of mistake, we ask the client to return the copies, or to destroy them. We do the work over for no charge, of course." Dave added that this might happen a very few times a year, out of 3,000 jobs. A fine record in anybody's book—and a far higher degree of accuracy than is found in the publishing industry.

**T**he alumni of the Chicago Report Department are too numerous to list completely. Among them are Art Schwertfeger, Art Feil (now EO office manager), the late Dave Ranney (EO partner in the SEC department), Tom Benning (EO financial department), Dick Grosse (retired partner who was in charge of the Pittsburgh office), and Pete Lucia, who was an H&S partner before he became General Auditor for General Motors.

All of them, and many others, have contributed to the department's tradition of technically excellent finished work that is pleasing to the eye as well. As Art Schwertfeger puts it, in describing the output of the department in which he began a distinguished career: "They are producing the high quality reports that H&S prestige demands." □





*Multilith press kicks out printed report pages under the watchful eye of operator Greg Horn.*



*Camera operator Al Sherman feeds typed copy into position in the camera-platemaker. Finished multilith plate emerges from other end of machine.*



*Fingers and papers fly as Madeline Harris collates the separate pages of a report preparatory to binding.*